

Committee on Resources

Witness Statement

**In The
United States House of Representatives
Committee on Resources**

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**Testimony
of the**

International Brotherhood of Teamsters

Domestic Exploration & Development of Oil & Gas Resources

Submitted by: Gerald L. Hood, Secretary-Treasurer

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Good morning Mr. Chairman and Members of the Committee:

My name is Jerry Hood. I am the chief executive officer of Teamsters Local 959, State of Alaska. I represent 7000 teamsters in Alaska and I am here today speaking on behalf of the entire 1.4 million members of the International Brotherhood of Teamsters.

Even though there are some in denial, there exists in this country today an energy crisis of which we have not seen the likes of since the early 1970's. Gas prices are at an all time high and projected to increase even more, notwithstanding OPEC's recent indication to increase production and regardless of what you read in the press. Yet, through the lack of a comprehensive energy policy, this country continues its dependence on the importation of foreign oil from countries that do not necessarily share our global philosophy and have agendas in direct conflict with our own.

While our solutions to this energy crisis must be multifaceted, one of the components has to include an increase in our domestic supply of oil which, whether you like it or not, will require making Federal lands available for leasing. We desperately need to reverse the trend of importing 56%, or roughly 9 million barrels a day of our petroleum needs. I would remind the Committee that 25 years ago this country only imported 35% of the oil it consumed. Domestic production is down 17% over the last decade and consumption has risen 14%. One doesn't need much of a map to see where these trends are taking us.

We must develop a program to hold our allies and trading partners accountable for their actions. The United States did not hesitate to protect the sovereignty of Kuwait during Desert Storm and in fact, we drove the

Iraqis from the oilfields after they set them on fire. Had it not been for America and American expertise much of the oil now being sold to us at such high prices could still be burning.

We must look to areas of our own country where the potential for hydrocarbon fuel production is greatest and where it can be developed with the highest standards and performance of environmental protection.

The state of Alaska currently produces approximately 1 million barrels of oil a day or 20% of the domestic supply. The coastal plain of ANWR, according to the USGS, has the potential of producing an additional 1 to 1.5 million barrels per day. This would be a tremendous step in reducing our dependence on foreign oil. There are those who dispute these figures so let me point out that Prudhoe Bay was predicted to hold 9.6 billion barrels of oil. To date 10.5 billion barrels have been produced and we expect the total to be at least 14 billion barrels. This does not include the surrounding fields such as Kuparek, Alpine and Milne Point.

There are those who argue that we must not ravage this last undeveloped pristine wilderness of the 49th State. They either knowingly or mistakenly tell you that 95 percent of the north slope of Alaska is already available for development and there is no reason to plunder the coastal plain of ANWR. In reality, only 14% of Alaska's northern coastline is available for development and if you were to add the coastal plain of ANWR you would only raise the area of potential development to 25%.

Let me say that "ravage" and "plunder" are not my words. Those are the words of the extremists who oppose development of section 1002. We in Alaska have explored and produced oil for over 30 years. We have done so with great respect for the environment. This is, after all, the land we live and work in. I spent time at Prudhoe Bay recently, visiting exploration and production facilities where my members work. I was reminded of a visit by a Russian delegation a few years ago to see our north slope operation first hand. As they were touring the oilfields and pipeline they commented on their disbelief that oil was actually being produced. When asked why, they said it was because they saw no oil leaking or on the ground.

I would ask those who so vigorously oppose the exploration of ANWR where they would rather see exploration and development; in parts of the world where there are little or no environmental restrictions or in an area of our own country where we have the strongest and strictest environmental laws and regulations in the world?

Members of organized labor have worked in Alaska's north slope oilfields since their discovery in 1967. We have the expertise to insure development in ANWR is done correctly and in an environmentally sound manner. Our members have a proven track record to have the highest productivity, to be the most efficient, best trained, most skilled and safest workers in Alaska's oil patch. This brings an economic advantage to this project and creates a stability which benefits all involved, even the opponents!

As I testified before the Senate Committee on Energy and Resources in 1995, I want to emphasize to this committee as well that the successful development of ANWR will create somewhere between 250,000 and 750,000 jobs throughout this great nation of ours. These jobs will be both union and nonunion, but the difference between these jobs and those created recently is that they are higher end jobs with excellent wages and benefits, unlike the service sector and minimum wage jobs we have seen created as of late.

Mr. Chairman, the issue before you today is important to the members my organization represents. It includes more than 600,000 drivers who turn the key on a truck to start their workday. Whether they drive cement mixers, deliver packages or bread or move freight across the country they rely on gasoline and diesel fuel to get their job done. We're asking for a comprehensive national policy which includes leasing of

federal lands for oil and gas development recognizing the consequences of high priced oil to a national economy that relies on trucks to transport 80% of the freight in this country.

Thank you, Mr. Chairman for the opportunity to testify today on this most important issue. I would ask that my entire written statement be entered into the record.

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